

News that manipulation of a key interest rate by Wall Street banks cost Fannie Mae and Freddie Mac more than \$3 billion has Rep. Peter Welch renewing his call for senior bank officials to go to jail for their misdeeds.

When the Libor scandal was uncovered in July, Welch led 25 of his colleagues in a letter to Attorney General Eric Holder urging him to put in jail bank officials complicit in the rate rigging scandal. With reports now that the Libor manipulation cost Fannie and Freddie more than \$3 billion, Welch is renewing his call for action.

"For too long big banks have been able to dodge responsibility, pay a fine and outsource punishment for their illegal behavior to their shareholders," Welch said. "Enough is enough. If you're guilty of a crime you should serve the time. There should be no exception for senior bank officials who rigged rates to make themselves money at the expense of others."

The letter Welch and his colleagues sent to Holder is copied below.

Dear Attorney General Holder:

We urge the Department of Justice to carefully investigate and aggressively prosecute all senior bank officials who participated in manipulating the London interbank offered rate (Libor) throughout the financial crisis.

Recent press reports and statements from Barclays' former Chief Executive Officer, Robert Diamond Jr., indicate that more than a dozen banks may have participated in this scheme. Their self-serving efforts enriched banks and traders at the expense of investors, businesses, consumers, pension funds, and municipalities.

Vigorous investigation and prosecution is essential to re-establishing confidence that global financial markets are transparent, not opaque and that they are competitive, not rigged.

Banks and traders who profited should be compelled to forfeit all illicit profits. And bad actors should no longer be allowed to outsource punishment to their shareholders. It's time for them to spend time behind bars.

Sincerely,

PETER WELCH

Member of Congress